

REMARKS

This amendment is responsive to the Office Action mailed January 15, 2009. In the Office Action, Claims 10-14, 17-20, and 31-51¹ were rejected under 35 U.S.C. § 112, first paragraph, as allegedly lacking enablement commensurate in scope with the claims. Further, Claims 10-14, 18-20, 31-36, 38-46, and 48-51 were rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over PCT/US00/10803, filed by Korhammer et al. (published as WO 00/63814) (hereinafter "Korhammer") in view of non-patent literature reference titled *MiFID Best Execution Benchmark* (hereinafter "MiFID"). Claim 42 has been amended. Claim 52 has been added. Thus, Claims 10-14, 18-20, 31-36, 38-46, and 48-52 are pending in the application.

Claims 10-14, 18-20, 31-36, 38-46, and 48-51 Are Enabled Under Section 112, First Paragraph

The Office Action (page 2) acknowledged that the specification of the present application is enabling for "conditional rules wherein the set of conditional rules is executable by the execution component to route the order in accordance with a characteristic of the at least one of the plurality of markets, wherein the characteristic defines a manner in which the at least one market provides information and processes an order," for example, as recited in the combination of Claims 32 and 36. Nevertheless, the Office Action alleged that the specification does not reasonably provide enablement for other types of conditional rules. Applicant respectfully disagrees.

The present application expressly describes a computer having a plurality of sets of conditional rules defined in a memory therein, each set of conditional rules defining a discovery strategy and an action strategy. As will be evident from the discussion provided below, the discovery strategy specifies parameters for whether and how to obtain price quotations for at

¹ The Office Action (page 2) also rejected Claims 17, 37, and 47 under Section 112. However, Claims 17, 37, and 48 have previously been canceled, thus rendering the claim rejections moot.

least one of a plurality of markets and the action strategy specifies order processing parameters. Furthermore, each set of conditional rules is implemented in an order-handling program that is executable by the computer.

The specification of the present application explains that conditional rules may be embodied in one or more decision tables that direct the manner in which the computer will respond to different trading circumstances. For example, at page 3, lines 10-14, the present application explains:

In accordance with an aspect of this invention, there is provided a method of facilitating trading. An order is automatically received from a user, and the order is automatically routed to at least one of a plurality of markets in accordance with an order processing strategy selected from a plurality of order processing strategies by the user.

In a further aspect, the order processing strategy is embodied in a decision table.

As further explained in the specification at page 50, lines 7-12 (emphasis added):

Generally, an ELF² makes a decision using a *decision table, a set of conditional rules applied at the specified point in the trading process*, such as when an order is received, when a price is first received, when a price improvement opportunity is received when the ELF is in the crowd for an umpire, or upon reporting of an execution to make an allocation of the executed quantity among appropriate parties. The ELF's decision-making parameters are transparent to an umpire. Tables 5-7 provide examples of decision tables.

Further discussion of uses of conditional rules in the form of a decision table are found at page 51, lines 13-23, of the originally-filed application:

Operational uses of decision table 110 specified at step 320 of FIG. 16 include:

1. Deciding which umpires to utilize for each order;

² "An ELF may be thought of as a virtual floor broker that operates at electronic speeds." See page 5, lines 9-13, of the application as filed. "Forming an ELF is the culmination of a procedure involving configuring an order-handling program with specifications from a trader, and executing the configured program on the platform of system 5 to create an order handling engine, also referred to herein as a trading process. An order ELF may be coupled to as many order umpires as desired." See also page 4, lines 14-17 ("System 5 is a general purpose computer or network of computers programmed in accordance with the present invention and functions as a platform for allowing electronic liquidity finder (ELF) programs and umpire programs to interact.").

2. Specifying acceptable and/or unacceptable contra-parties;
3. Evaluating whether to accept a proposed pairing;
4. Provisional price acceptance processing;
5. Determining whether and how to make a counter-offer, and any modifiers for the counter-offer;
6. Deciding whether to join and remain in the crowd for an umpire;
7. Deciding whether to post an order with an umpire; and
8. Deciding whether to offer an improved price during a price improvement period of an umpire.

As can be seen, the conditional rules (or decision table) in these examples define a variety of discovery strategies and action strategies. For yet a further example, see also page 61, lines 10-16, of the application as filed:

At step 685, oE 10 obtains the values, if any, that the decision logic will need from various evaluation umpires. At step 690, oE 10 invokes decision engine 100 to *create the action list* including the parameters for the umpires in the action list, such as minimum lot size, and reserve price. The decision process may involve a parameter from other sources. The parameter may be found in, for example, umpires table 140, and/or an externally supplied parameter as referred to in decision table 110. *An example of a parameter is whether an umpire will make a payment or give a credit to oE 10 for placing its order with that umpire.* (Emphasis added).

Applicant respectfully submits that the specification of the present application enables multiple types of conditional rules, and therefore enables a person skilled in the art to make the invention commensurate in scope with the claims. Withdrawal of the claim rejections under Section 112, first paragraph, is respectfully requested.

Claims 10-14, 18-20, 31-36, 38-46, and 48-51 Are Patentable over Korhammer and MiFID

The Office Action (page 3) rejected the pending claims based on a combination of Korhammer and MiFID. However, applicant respectfully submits that the claim rejections are without proper basis and should therefore be withdrawn.

First, applicant submits that Korhammer fails to teach "at a computer having a plurality of sets of conditional rules defined in a memory therein, receiving a trader-selected set of conditional rules," as recited in Claim 10. Korhammer may describe a user selecting a particular

market for routing an order (for example, NASDAQ SelecNet, an ECN, or the CCS order book "ColorBook" as shown at 704-706 in Figure 9). However, user designation of a particular market for routing does not describe or suggest a selected set of conditional rules. There are no "conditions" to consider as the user has expressly designated the routing of the order.

Furthermore, user-selection of a market as taught by Korhammer does not constitute "execution of the order-handling program [which] includes automatically routing an order to at least one of a plurality of markets in accordance with the selected set of conditional rules." Similar arguments apply to independent Claims 32 and 42. For at least the foregoing reasons, applicant submits that Claims 10, 32, and 42 should be allowed.

In addition, the Office Action (page 3) conceded that Korhammer "fails to expressly teach the selected set of conditional rules defines a discovery strategy and an action strategy, the discovery strategy specifying parameters for whether and how to obtain price quotations for at least one of a plurality of markets, and the action strategy specifying order processing parameters," as recited in Claim 10. The Office Action instead relied on the MiFID reference as supplying the teachings that are missing from Korhammer. However, the reliance on MiFID is misplaced, as MiFID does not constitute prior art to the claims in the present application.

The present application was filed March 8, 2001, and claims priority from an earlier application filed April 10, 2000. The MiFID reference was not published until sometime between April 2004 and November 2007.

In particular, the Executive Summary of the MiFID reference begins by stating:

The Markets in Financial Instruments Directive, a cornerstone of the Financial Services Action Plan, was proposed in November 2002 to replace the existing Investment Services Directive of 1993. It was designed to cope with, and to further enable, the increased level of cross-border investment transactions. MiFID was adopted in April 2004 and will take effect in November 2007.

The MiFID reference does not qualify as prior art under any provision of 35 U.S.C. § 102, and therefore cannot be used in a combination of references under Section 103(a) to reject

the claims of the present application. Accordingly, a *prima facie* case of obviousness under Section 103 has not been shown. For this additional reason, Claims 10, 32, and 42 should be allowed.

Claims 11-14, 18-20, and 31 each directly or indirectly depend from Claim 10, while Claims 33-36 and 38-41 each directly or indirectly depend from Claim 32, and Claims 43-46 and 48-51 each directly or indirectly depend from Claim 42. Applicant respectfully submits that these claims are in condition for allowance for at least the same reasons presented above with respect to Claims 10, 32, and 42. Moreover, Claims 11-14, 18-20, 31, 33-36, 38-41, 43-46 and 48-51 are patentable for the additional subject matter they recite.

New Claim 52

Claim 52 has been added to the application and is allowable for at least the same reasons as Claims 10, 32, and 42. Claim 52 is directed to a system for facilitating trading and is written in means-plus-function format. The system includes:

- computer means for receiving a trader-selection of a set of conditional rules from a plurality of sets of conditional rules defined in a memory, wherein the selected set of conditional rules defines a discovery strategy and an action strategy, the discovery strategy specifying parameters for whether and how to obtain price quotations for at least one of a plurality of markets, and the action strategy specifying order processing parameters, wherein each set of conditional rules is implemented in an order-handling program that is executable by the computer means, and wherein execution of the order-handling program includes automatically routing an order to at least one of a plurality of markets in accordance with the selected set of conditional rules,
- computer means for receiving an order for processing in accordance with the selected set of conditional rules, and
- computer means for executing the order-handling program configured with the selected set of conditional rules to route the order to at least one of the plurality of markets in accordance with the set of conditional rules.

Support for new Claim 52 is found in the application as filed, particularly in regard to the description of system 5 as illustrated and described in the specification. Applicant respectfully requests that Claim 52 also be allowed.

Information Disclosure Statements

As a final matter, for completion of the file, applicant requests that the Examiner initial and return a copy of the Information Disclosure Statements submitted September 14, 2001; October 13, 2006, December 21, 2006; September 20, 2007; October 9, 2007; January 4, 2008; and October 24, 2008. An additional tenth supplemental Information Disclosure Statement is submitted herewith, together with the appropriate fee for consideration.

CONCLUSION

In view of the above, applicant respectfully submits that the claims in this application are in condition for allowance. Reconsideration and allowance of the application at an early date is requested. The Examiner is invited to contact the undersigned counsel at the telephone number indicated below should any issues remain.

Respectfully submitted,

CHRISTENSEN O'CONNOR
JOHNSON KINDNESS^{PLLC}



Kevan L. Morgan
Registration No. 42,015
Direct Dial No. 206.695.1712

KLM:jmb